

Equality Impact Assessment Record

Flexible Workforce Development Fund

September 2019



Scottish Government
Riaghaltas na h-Alba
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EQUALITY IMPACT ASSESSMENT RECORD

Title of policy/ practice/ strategy/ legislation etc.	Flexible Workforce Development Fund	
Minister	Jamie Hepburn , Minister for Business, Fair Work and Skills	
Lead official	Janice Alexander	
Officials involved in the EQIA	name	team
	Nicola Sykes	Skills and Productive Workforce Unit
Directorate: Division: Team	Fair Work and Skills	
Is this new policy or revision to an existing policy?	New policy	

Screening

The purpose of the Fund is to provide employers with flexible workforce development training opportunities to support inclusive economic growth through up-skilling or reskilling of employees.

The Fund is in addition to apprenticeship support which all employers are eligible to access in Scotland; and, Individual Training Accounts (ITA's) which provide eligible individuals with the opportunity to undertake learning opportunities to develop their skills for employment. This fund may be particularly beneficial in addressing skills gaps and training needs of the older workforce.

The Scottish Government allocated £10 million for the FWDF in its first pilot year 2017-18. Building upon the success of year 1 the Scottish Government have continued further investment of £10m for years 2 (2018-19) and 3 (2019-20). This funding was distributed amongst regional colleges/strategic bodies across Scotland by the Scottish Funding Council (SFC) to be made available through regional colleges and Scotland's Rural College.

The Fund will also support delivery of the Scottish Government's Programme for Government, Scotland's Labour Market Strategy and Scotland's Economic Strategy by contributing to the following outcomes:

- A strong labour market that drives inclusive, sustainable economic growth.
- A skilled productive and engaged workforce capable of meeting the needs of employers.
- Equality of opportunity to access work and to progress to ensure everyone is able to maximise their potential.
- Increasing productivity.

This Fund will also support the delivery of the Scottish Funding Council strategic outcome of greater innovation in the economy. It also supports the Scottish Government's strategic priority of high quality learning in a learning system which is seamlessly connected for the learner, including learning which prepares people well for the world of work and successful long term careers, prioritising provision that meets known skills gaps in the economy.

Who will it affect?

The Flexible Workforce Development Fund was introduced in direct response to feedback from the Scottish Government's consultation on the introduction of the UK Government Apprenticeship Levy.

The UK Apprenticeship Levy in 2017 requires all large employers to pay 0.5% of their salary bill over £3m to HM Treasury through their monthly returns to HMRC. The Apprenticeship Levy is a UK Government policy put in place to raise tax from large employers, which provides employers in England with an apprenticeship service account to spend on apprenticeships training. As the powers for skills and training policy is devolved, the Scottish Government receive a per capita share of the Levy receipts. This has been invested in skills, employability and training programmes. Therefore in Scotland, the main mechanism for employers to access value from their Levy receipts is through use of Scottish Government funded work-based learning programmes. According to Scottish Government estimates, there are an estimated 4,000 levy-paying employers in Scotland.

The Fund provides UK Apprenticeship levy paying employers across Scotland with the flexibility to upskill and reskill members of their existing workforce through college provision to bring greatest benefit to their organisation.

Within this, and in line with Scottish Government priorities of reducing the gender pay gap and tackling occupational segregation; and halving the disability employment gap; employers should consider as part of their application how they can support those with one or more of the protected characteristics listed in **section 4** to gain access to training through the Fund.

Employers should also give due consideration to other specific groups in their workforce where training could bring disproportionately positive benefits such as: those with care experience; carers; those in low skilled jobs; younger workers/apprentices; and veterans/early service leavers.

Colleges should be aware of these priorities when consulting with employers on training needs and skills gaps. Employers must have due regard to the provisions of the Equality Act 2010, and the relevant guidance produced by the Equality and Human Rights Commission.

Scotland's Labour Market Strategy also states that gaps in the skills and knowledge of Scotland's workforce have for some time been identified as a significant barrier to the country's sustained economic growth. The shift toward a knowledge-based economy dominated by high-tech manufacturing, service sector industries and business services means there is increasing demand for the associated skills and expertise. However, businesses in Scotland are increasingly reporting workforce shortages particularly in relation to core digital and technological skills.

The policy drivers central to the funding model recognise the needs and expectations of Levy payers; Supports workforce development in line with the aims of the Labour Market Strategy; particularly around up skilling and reskilling workers consistent with ambitions to raise productivity; tackles in work poverty; and, ensures the fund strengthens College engagement with industry.

The guiding principles ensures; simplicity; minimal administrative burden; cost effectiveness of delivery; transparency; and, responsiveness to employer demand.

The existing policy drivers and guiding principles of the Fund provides UK apprenticeship levy paying employers in Scotland with an opportunity to upskill and reskill their existing workforce.

Research undertaken by the [University of Edinburgh Business School 'Older people and Employment' published in August 2017¹](#), interrogates the attitudes, behaviours and preferences of a mixed group of older people (aged 50+) in central Scotland regarding later-life working and retirement. The research identified a number of benefits and opportunities associated with later life working, including health benefits for individuals and retention of vital skills and experience for employers. However, significant challenges and concerns were also raised. These centred on inequality of opportunities between different groups of older people. It was clear that choices over later working life were highly constrained for those on lower incomes, those in low-skilled jobs and those with significant caring responsibilities. These circumstances most often interact to disadvantage older women in particular. There was also a potential mismatch between the attitudes and expectations of older people and those of employers.

This qualitative research identified a number of benefits and opportunities associated with later life working, including health benefits for individuals and retention of vital skills and experience for employers. Work was viewed as a good way of keeping physically active, and the social contact involved in working was deemed to be beneficial for mental health.

¹ University of Edinburgh Business School 'Older people and Employment' published in August

This EQIA will help to assess the impact on older women and those groups who share one or more protected characteristics, through monitoring the uptake of those individuals engaging in the Fund.

What might prevent the desired outcomes being achieved?

The following factors may prevent the desired outcomes being achieved:

- Employers do not apply to the Fund.
- Employees identified for up-skilling or re-skilling do not reflect the population demographic.
- Lessons learned from the Fund are not shared with key stakeholders.
- Levy payers in Scotland represent a proportion of employers in Scotland, and limiting the fund to this group limits access to the broader population of working age people.
- Risk that employers require further flexibility in the Fund design to support business continuity.
- Risk that employers do not collate data, monitor or develop action plans to enable policy officials to measure the impact of the Fund.
- Risk impact of Brexit - Employers stop recruiting; cut back on spending on improving inclusive workplace practices; lower wages; less willing to offer return to work programmes ; Other priorities mean that resources are allocated elsewhere impacting on ability to deliver programmes; Wages stagnate trapping women in low paid and insecure jobs.

Stage 1: Framing

Results of framing exercise

The evaluation of the functionality of the pilot year of the Fund has helped to inform the policy development of further rounds of the Fund.

The overall aim of the evaluation was to explore what is working more or less well in the first year of the FWDF (covering the period 1st September 2017 to 30th June 2018), and to offer recommendations around monitoring and evaluating the longer term impact of the Fund.

The guidance and application requirements have been further refined to more adequately reflect current Scottish Government priorities of reducing the gender pay gap and tackling occupational segregation; and halving the disability employment gap; as well as other specific groups in their workforce where training could bring about positive benefits.

In August 2018, Scottish Government commissioned Women in the Scottish Economy WiSE to carry out a pilot project with the Scottish Government, which consisted of two elements. The first was to run a training course on gender and economic policy for SG analysts and policy officials; and, the second was to advise on the development of two EQIAs.

The Flexible Workforce Development Fund was selected to participate in the project as the Fund EQIA was in the early stages of development. The Fund

also represented a different type of evolving policy with varying approaches required to assess equality impacts.

Research undertaken in support of the EQIA, shows there are significant levels of under-representation for some groups in the workforce. Therefore, there is growing interest to ensure the FWDF facilitates access for equality groups and priority groups. Fund guidance for Year 2 was strengthened, and asks employers to state how they have considered the needs of particular groups in their workforce.

However, there is currently a lack of baseline data on employee access to training in the workforce beyond apprenticeships in Scotland. Therefore, there is an increased imperative to access employee related data pertaining to Year 1 of the FWDF and to explore the feasibility of gaining future access to intersectional data in future years.

During the framing of this EQIA Scottish Government officials hosted a number of meetings and consulted with both internal and external stakeholders to discuss how best to assess the equality impacts of the Fund. The focus of these consultations was to ensure that workplace equality was addressed and that opportunities for all were available to develop future skills for employment.

Stakeholders included: Colleges Scotland, Scottish Funding Council, Closing the Gap, WiSE, Scottish Government Equalities Unit, Scottish Government Analysts and colleagues from the Fair Work and Inclusive Workplaces Unit.

The introduction of this EQIA at the start of Year 2 signals that policy officials have recognised the importance and the need to address both equality and diversity issues when developing the future policy direction of the Fund - maximising the opportunities and benefits to employers and employees including those with protected characteristics to bring greatest benefit to their organisation.

Analysts in both Scottish Government and the Scottish Funding Council have been working closely with policy officials to analyse the raw data and determine the demographic breakdown of the Fund. The data collated for Year 1 of the Flexible Workforce Development Fund was made available in early 2019. However, it has been identified that more granular data will be required going forward.

Extent/Level of EQIA required

This EQIA refers to new policy and was commenced after the pilot year of the Fund (year 2). However, this EQIA will be central in shaping any future policy developments of the Flexible Workforce Development Fund.

Due to the lack of available data at the time of drafting this EQIA the following research has been considered during the policy development of the Fund:

The Annual Survey of Hours and Earnings (ASHE) data published on the 25 October 2018 show that :

- **The gender pay gap for full-time employees in Scotland has decreased from 6.6% in 2017 to 5.7% in 2018 and in the UK it has decreased from 9.1% to 8.6%.**
- **The gender pay gap for all employees in Scotland has decreased from 16.0% in 2017 to 15.0% in 2018 and in the UK it has decreased from 18.4% to 17.9%.**
- **The gender pay gap for full-time employees (5.7%) is the lowest gender pay gap on record for Scotland and lower than the UK pay gap of 8.6%.**

Employers will have flexibility to train members of their workforce through college provision to bring greatest benefit to their organisation. Within this, and in line with Scottish government priorities of reducing the gender pay gap and tackling occupational segregation, halving the disability employment gap, inclusive growth and Fair Work, employers should consider as part of their application how they can support those with one or more of the protected characteristics listed in section 4 of the Equality Act 2010 to gain access to training through the FWDF.

[UK Commission for Employability and Skills Research](#)² suggests there is a demand for training in Scotland's workplaces. The majority of employers in Scotland had funded or arranged training for their staff over the previous 12 months and around half of employers that trained wanted to provide more training than they had been able to do so. One of the barriers to offering more training was a lack of funds.

Employers will have flexibility to train members of their workforce through college provision to bring greatest benefit to their organisation. Within this, and in line with Scottish government priorities of reducing the gender pay gap and tackling occupational segregation, halving the disability employment gap, inclusive growth and Fair Work, employers should consider as part of their application how they can support those with one or more of the protected characteristics listed in section 4 of the Equality Act 2010 to gain access to training through the FWDF.

Employers should also give due consideration to other specific groups in their workforce where training could bring disproportionately positive benefits such as care experienced, carers, older workers, those in low skilled jobs, those working regularly with younger workers/apprentices, and veterans/early service leavers. Colleges should be aware of these priorities when consulting with employers on training needs and skills gaps. Employers must have due regard to the provisions of the Equality Act 2010, and the relevant guidance produced by the Equality and Human Rights Commission.

² UK Commission for Employability and Skills Research

[The UKCES Employer Skills Survey – Scotland report³](#)

Although a small minority of establishments (6%) are affected by skill-shortage vacancies, in total 24% of all vacancies across Scotland are hard-to-fill due to skill shortages in the available labour pool. In addition, some 122,000 employees are regarded as being not fully proficient in their job roles (5% of the total workforce in Scotland). Inefficiencies are apparent in the workforce – 35% of establishments say they have at least one member of staff who has skills and qualifications that exceed those required for the job role, equating to 9.2% of the workforce in Scotland.

[The Scottish Parliament's Equal Opportunities Committee Report – Removing Barriers – Race, Ethnicity and Employment⁴](#)

The issues uncovered in the report made it clear that any development of future policy had to consider a range of circumstances. The report suggests that any response to the employment situation of people from ethnic minorities should incorporate a range of considerations and avoid stereotyping.

Many of the barriers faced by ethnic minority women in the labour market are similar to those which were identified in the Scottish Parliaments earlier inquiry into Women and Work. These barriers included the need to undertake caring responsibilities, a lack of affordable childcare, a lack of flexible working opportunities, and a tendency for women to be clustered in low-paid, insecure jobs.

The inquiry heard that ethnic minority girls generally outperform boys academically at school and are well represented in higher and further education. Despite this, women from non-white ethnic minority groups are less likely to be in employment with figures from 2012 showing that 47% were in employment compared with 68% of white women

Close the Gap explained that there is a concentration of women from ethnic minorities in low-paid professions and that they are often significantly underrepresented in senior roles. However, the situation facing women can vary greatly between ethnic groups.

Black and Minority Ethnic women are also significantly underrepresented in skilled trades' occupations, ranging from 1 per cent participation for African black women to 4 per cent for Asian women.

However, Black and Minority Ethnic women are better represented than white women in professional occupations:

- 29 per cent of mixed or multiple ethnic group women,
- 26 per cent of Asian women

³ The UKCES Employer Skills Survey – Scotland report

⁴ The Scottish Parliament's Equal Opportunities Committee Report – Removing Barriers – Race, Ethnicity and Employment

- 26 per cent of Caribbean black women, and 31 percent of other ethnic groups are in professional occupations, compared with 19 per cent of white women (**Close the Gap Written submission**)

Older People in Employment Scotland reports that choices over later working life were highly constrained for those on lower incomes, those in low-skilled jobs and those with significant caring responsibilities. These circumstances most often interact to disadvantage older women in particular. There was also a potential mismatch between the attitudes and expectations of older people and those of employers.

Findings suggest that there is a current window of opportunity to raise awareness of later-life working options among older people and employers to help promote opportunities, policies and practices around extended working life. Several participants indicated that they had already experienced ageism in the labour market, and felt that their skills and experience were undervalued.

Many more were worried that they might be discriminated against on grounds of age if they left their current employer to look for a new job. Such concern could potentially act as a barrier to job mobility in later working life. Worries surrounding job security emerged as a significant barrier to extending working life, particularly for those employees working within third sector organisations. Many of these participants, who were predominantly women, thought that it was more likely that they would be made redundant than reach retirement age in their current employment. This was strongly related to uncertainty of continued funding for their organisations.

The FWDF guidance states that employers should also give due consideration to other specific groups in their workforce where training could bring disproportionately positive benefits such as care experienced, carers, older workers, those in low skilled jobs, those working regularly with younger workers/apprentices, and veterans/early service leavers. Colleges should be aware of these priorities when consulting with employers on training needs and skills gaps. Employers must have due regard to the provisions of the Equality Act 2010, and the relevant guidance produced by the Equality and Human Rights Commission.

The **Institute for Public Policy Research** (IPPR) *Equipping Scotland for the Future and Jobs and Skills in Scotland* highlights the importance of increasing the skills of people with no or low level qualifications to delivering inclusive growth; and, the need for the skills system in Scotland to support career progression from low to higher-skilled jobs. Changes in population demographics, advancing automation and funding are among 10 key challenges identified for Scotland's skills system. The research makes 6 recommendations that Scotland's skills system should implement to meet these challenges:

- 1) embedding an outcome approach and setting a clear national purpose of the skills system
- 2) regional integration of the skills system

- 3) clarifying roles of learning routes within the skills system
- 4) learners and employers co-designing a responsive skills system
- 5) improving flexibility of learning
- 6) increasing transferability of learning

In the context of the FWDF, colleges should make every practicable effort to deliver accredited training, that is training that is recognised by the Scottish Credit & Qualifications Framework (SCQF) and/or training that meets the requirements of an appropriate industry/employer standard. At the absolute minimum, the application form will require details of the projected developmental goal for the employees involved. Colleges will ensure that certification is provided for each employee participating in FWDF-funded training.

Stage 2: Data and evidence gathering, involvement and consultation

Include here the results of your evidence gathering (including framing exercise), including qualitative and quantitative data and the source of that information, whether national statistics, surveys or consultations with relevant equality groups.

This section includes the results of the evidence gathering undertaken for the purposes of this assessment, including qualitative and quantitative data, and outlines the source of that information, whether national statistics, surveys or engagement with those involved in promoting equality as well as equality groups.

In this EQIA a broad range of research, data and evidence gathering was highlighted against each of the protected characteristics.

This reflects and highlights the fact many of the considerations relevant to the FWDF are likely to cut across multiple protected characteristics, with the evidence highlighting age, gender and disability as key areas for consideration. Finally, we have gathered evidence on the cross-cutting considerations which are necessary in order to ensure FWDF is compliant with the legislative and regulatory framework concerning the promotion of equality.

Characteristic ⁵	Evidence gathered and Strength/quality of evidence	Source	Data gaps identified and action taken
AGE	<p>The Gender Pay Gap for full-time employees increases with age, with those aged 50-64 having the highest gender pay gap for all, full-time and part-time employees.</p> <ul style="list-style-type: none">• Women aged 50-64 who work full-time earn 10.4% less, on average, than men aged 50-64.• Women aged 50-64 who work part-time earn 15.4% less, on average, than men aged 50-64.• All women aged 50-64 who work full or part-time earn 21.6% less, on average, than men aged 50-64.	Annual Survey of Hours and Earnings - Scotland – 2018	

⁵ Refer to Definitions of Protected Characteristics document for information on the characteristics

	<p>Older People in Employment in Scotland reports that choices over later working life were highly constrained for those on lower incomes, those in low-skilled jobs and those with significant caring responsibilities. These circumstances most often interact to disadvantage older women in particular.</p> <p>In 2018, the employment rate for women aged 50-64 was 65.9% in Scotland. This is compared to 73.7% of men aged 50-64.</p> <p>The FWDF data shows that approximately 89.2% of participants were aged 25+</p> <p>In 2018/19, 68% of MA starts were aged 16-24, 32% were aged 25 and over.</p>	<p>University of Edinburgh Business School research into Older People and Employment in Scotland (August 2017)</p> <p>Annual Population Survey, Jan-Dec 2018,ONS</p> <p>FWDF FES Data Year 1</p>	
DISABILITY	<p>Pay gaps across the UK for disabled people (13.6%) Analysis shows that disabled people are less likely to have a paid job than non-disabled people and when they do they generally earn less. This double disadvantage reflects the wider social inequalities and barriers disabled people face. The overall disability pay gap is 13% for men and 7 % for women.</p> <p>There are variations in the size of pay gaps depending on the nature of the disability – those with physical impairments generally earn less than non-disabled people but the pay gap for those with mental health conditions are particularly large among men.</p>	<p>Equality and Human Rights Commission (2017) Pay Gaps strategy Fair Opportunities for all</p> <p>Equality and Human Rights Commission (2017) The Disability Pay Gap, research report , 107</p>	

	<p>Ethnic minority disabled people tend to face the combined disadvantage of both ethnicity and disability.</p> <p>In particular, women who are disabled, face multiple barriers in the labour market and in society more generally.</p> <p>In terms of disability, disabled women are more likely than non-disabled women to work in low-paid occupations such as Elementary and Sales occupations, although this varies depending on the particular disability.</p> <p>Data shows that 2.6% of FWDF participants declared a disability.</p> <p>In 2018/19, 14.1% of MA starts self-identified an impairment, health condition or learning difficulty.</p>	<p>FWDF FES Data Year 1</p>	
SEX	<p>The median gender pay gap for full-time employees in Scotland was 5.7% in 2018.</p> <p>The median gender pay gap for all employees in Scotland was 15.0% in 2018.</p> <ul style="list-style-type: none"> Scotland's women's employment rate of 72.7% is lower than the men's employment rate of 79.3%. Women's unemployment rate at 2.9% is lower than the men's unemployment rate of 3.6%. Women's inactivity rate is 25.0%, higher than the inactivity rate for men of 17.7%. 	<p>Annual Survey of Hours and Earnings - Scotland – 2018</p> <p>Labour Market Statistics for Scotland - Apr 2019</p>	

PREGNANCY AND MATERNITY	<p>Pregnancy and maternity discrimination – Across GB three in four mothers (77%) said they had a negative or possibly discriminatory experience during pregnancy, maternity leave, and/or on return from maternity leave 11% reported that they felt forced to leave their job.</p> <p>Majority of employers (84%) reported that it was in their interest to support pregnant women and those on maternity leave. However 27% felt that pregnancy put an unreasonable cost burden on the workplace.</p>	EHRC Pregnancy and Maternity Discrimination research findings	
GENDER REASSIGNMENT	<p>The EHRC Transgender Research Review (2009) observes that, although there is a considerable amount of literature produced for campaigning or lobbying purposes, commentary on the legal position of Transgender people and anecdotal discussion of experiences, there is only a small number of robust studies. Where primary research has been conducted, difficulties associated with identifying Transgender people mean that samples were often too small to make robust generalisations from the data, or that reliance on convenience sampling meant that it was not possible to be sure that the studies had mapped sufficient diversity within the Transgender community to draw substantive conclusions.</p>	The EHRC Transgender Research Review (2009)	<p>There is limited evidence on the experiences of transgender people in Scotland. However, large employers eligible for this fund are expected to apply their equality policies in providing equality of opportunity to all employees to access training.</p>

	<p>For International Transgender Day of Visibility, Totaljobs surveyed trans workers from different industries across the UK. Totaljobs' survey reveals that the majority (60%) of trans employees have experienced discrimination during their career.</p> <ul style="list-style-type: none"> • 60% have experienced some form of transphobic discrimination in the workplace. <ul style="list-style-type: none"> ➢ 38% from colleagues ➢ 25% from management ➢ 29% during a job interview • 53% have felt the need to hide their trans status from colleagues. • 51% believe in the workplace, acceptance and understanding of trans employees has improved due to increased media focus on trans issues. • 50% received positive reactions from colleagues when they transitioned. • 43% actively look for companies with trans-friendly policies when applying for jobs. 	Totaljobs Trans Employee Survey Report - 2016	
SEXUAL ORIENTATION	<p>In 2008, the Scottish Government estimated that LGBT people made up around five percent of the population of Scotland, or around 250,000 people.</p> <p>A TUC survey of LGB employees in 2000 suggested that 44% had experienced some form of discrimination. Experiences of discrimination have ranged from discomfort or signs of embarrassment shown by managers and colleagues towards the person's sexual orientation, to exclusion, homophobic comments and insults, direct or constructive dismissal, lack of promotion and denial of employee benefits.</p>	Scottish Government Equality Outcomes: Lesbian, Gay, Bisexual and Transgender (LGBT) Evidence Review	

	<p>Frost (2006 reports that 23% of LGB staff in one study had been harassed or bullied, compared to 10% of staff as a whole.</p> <p>The EHRC report Pay gaps across the equality strands(2009) claims that there is very little evidence on how sexual orientation affects pay, as quantitative measurement has been hampered by lack of data.</p> <p>A study of the sexual orientation pay gap for academic staff in six UK universities in 2000/01 found no evidence of a pay gap between gay, lesbian or bisexual employees and heterosexual employees. However, for gay and bisexual men, it did find evidence of disadvantage in achieving senior positions.</p> <p>The EHRC Sexual Orientation Research Review disputes survey findings that claim LGB average salaries are higher than heterosexuals', on the grounds that the data collected for such surveys have not been representative, and the analyses have failed to control for education.</p> <p>Withholding training from an employee because of their sexual orientation, perceived sexual orientation or association with someone of a particular sexual orientation would be discriminatory.</p>	<p>EHRC pay gaps across equality strands; a review (2009)</p> <p>ACAS - Sexual orientation discrimination: key points for the workplace – (2016)</p>	<p>The EHRC report Pay gaps across the equality strands[28] (2009) claims that there is very little evidence on how sexual orientation affects pay, as quantitative measurement has been hampered by lack of data.</p>
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RACE	<p>In Scotland in 2018 the employment rate for the minority ethnic population (aged 16-64) was 55.4% which is lower than the white population employment rate of 75.1%;</p> <p>the minority ethnic employment gap was 19.7 percentage points, higher than the gap in 2017 (14.5 percentage points);</p> <p>the minority ethnic employment gap was much higher for women than men; for women the minority ethnic employment gap was 26.8 percentage points and for men was 11.2 percentage points;</p> <p>the gap in the employment rate for the minority ethnic population was largest for the 25-34 year old population (40.9 percentage points) and lowest for the oldest age group (50-64 years) at 2.9 percentage points.</p> <p>Research shows Pay gaps across the UK minority ethnic (5.7%).</p> <p>All Indian and Chinese men (that is, both foreign-born and British) and British-born Black African men had similar earnings to White British men. However, all other groups earned noticeably less. Pakistani and Bangladeshi males had particularly severe pay gaps, especially those born outside the UK.</p> <p>Ethnic minority women generally earned more than White British women, with all Indian, all Chinese, British-born Black Caribbean and British-born Black African women experiencing notable pay</p>	<p>Regional Employment Patterns in Scotland: Statistics from the Annual Population Survey 2018</p> <p>EHRC report Fair Opportunities for all: A Strategy to reduce pay gaps in Britain, 2017</p> <p>EHRC The ethnicity pay gap Research report 108</p>	<p>More research required into the experience of ethnic minority women and disabled minority ethnic people in the labour market in Scotland.</p>
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	<p>advantages. Only two groups had a clear pay disadvantage: these were Pakistani and Bangladeshi immigrant women. However, British-born Pakistani and Bangladeshi women experienced no such disadvantage. Along with female immigrants in the Black African and Black Caribbean group, their pay was found to be fairly similar to White British women's.</p> <p>Data collected by SFC on FWDF participants includes ethnicity. This data shows that 96.0% of FWDF participants were white and 2.6% were made up of other ethnic minority groups . 1.4% were n/a (refused to say)</p> <p>In 2018/19, 2.3% of MA starts self-identified being from a Mixed or Multiple; Asian; African; Caribbean or Black; and Other ethnic group.</p>	FWDF FES Data Year 1	
RELIGION OR BELIEF	<p>In Scotland, in 2018, Muslims (aged 16-64) had the lowest employment rate (52.3%) and people with no religion had the highest employment rate (75.3%).</p>	Regional Employment Patterns 2018 Scotland	
MARRIAGE AND CIVIL PARTNERSHIP	<p>The Scottish Government does not require assessment against this protected characteristic unless the policy or practice relates to work, for example HR policies and practices - refer to Definitions of Protected Characteristics document for details)</p>		

Stage 3: Assessing the impacts and identifying opportunities to promote equality

Having considered the data and evidence you have gathered, this section requires you to consider the potential impacts – negative and positive – that your policy might have on each of the protected characteristics. It is important to remember the duty is also a positive one – that we must explore whether the policy offers the opportunity to promote equality and/or foster good relations.

Do you think that the policy impacts on people because of their age?

Age	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination, harassment and victimisation	x			Fund criteria requires employers to state how they will give due consideration to those with protected characteristics.
Advancing equality of opportunity	x			Fund criteria requires employers to state how they will give due consideration to those with protected characteristics.
Promoting good relations among and between different age groups	x			Scottish Government skills policy places significant priority on young people's participation. This Fund could help to fill a gap in support available to older workers.

Do you think that the policy impacts disabled people?

Disability	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination, harassment and victimisation	x			Fund criteria requires employers to state how they will give due consideration to those with protected characteristics. Employers eligible for this fund are expected to apply their equality policies in providing equality of opportunity to employees to access training.
Advancing equality of opportunity	x			Fund criteria requires employers to state how they will give due consideration to those with protected characteristics. Large employers eligible for this fund are expected to apply their equality policies in providing equality of opportunity to employees to access training.

Promoting good relations among and between disabled and non-disabled people	x			Providing equal access to training for everyone in a diverse workforce could help to foster good relationships between disabled and non-disabled staff.
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Do you think that the policy impacts on men and women in different ways?

Sex	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination	x			The evidence shows that access to the Fund has not result in a negative impact on women. As there has been an even gender balance in the those employees participating in the training offered.
Advancing equality of opportunity	x			Levy paying employers eligible for this fund are expected to apply their equality policies in providing equality of opportunity to employees to access training. There has been an even gender balance in those employees participating in the training offered.
Promoting good relations between men and women	x			Providing equal access to training for everyone in a diverse workforce could help to foster good relationships between employees and encourage businesses to adopt further fair work practices that benefit all staff.

Do you think that the policy impacts on women because of pregnancy and maternity?

Pregnancy and Maternity	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination				Unknown due to lack of available reliable data. However, levy paying employers eligible for this fund are expected to

				apply their equality policies in providing equality of opportunity to employees to access training.
Advancing equality of opportunity				Unknown due to lack of available reliable data. However, levy paying employers eligible for this fund are expected to apply their equality policies in providing equality of opportunity to employees to access training.
Promoting good relations				Providing equal access to training for everyone in a diverse workforce could help to foster good relationships between employees and encourage businesses to adopt further fair work practices that benefit all staff.

Do you think your policy impacts on transsexual people?

Gender reassignment	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			x	Unknown due to lack of available reliable data. However, levy paying employers eligible for this fund are expected to apply their equality policies in providing equality of opportunity to employees to access training.
Advancing equality of opportunity			x	Unknown due to lack of available reliable data. However, levy paying employers eligible for this fund are expected to apply their equality policies in providing equality of opportunity to employees to access training.
Promoting good relations			x	Providing equal access to training for everyone in a diverse workforce could help to foster good relationships between employees and encourage businesses to adopt further fair work practices that benefit all staff.

Do you think that the policy impacts on people because of their sexual orientation?

Sexual orientation	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination	x			Fund criteria requires employers to state how they will give due consideration to those with protected characteristics. Large employers eligible for this Fund are expected to apply their equality policies in providing equality of opportunity to employees to access training. Therefore, there could be indirect benefits but assessing impact may be challenging due to a lack of available reliable data.
Advancing equality of opportunity	x			Fund criteria requires employers to state how they will give due consideration to those with protected characteristics. Large employers eligible for this Fund are expected to apply their equality policies in providing equality of opportunity to employees to access training.
Promoting good relations	x			Providing equal access to training for everyone in a diverse workforce could help to foster good relationships between employees and encourage businesses to adopt further fair work practices that benefit all staff.

Do you think the policy impacts on people on the grounds of their race?

Race	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination	x			Fund criteria requires employers to state how they will give due consideration to those with protected characteristics. Large employers eligible for this Fund are expected to apply their equality policies in providing equality of opportunity to employees to access training.
Advancing equality of opportunity	x			Fund criteria requires employers to state how they will give due consideration to those with protected characteristics. Large employers eligible for this Fund are expected to apply their equality policies in providing equality of opportunity to employees to access training.

Promoting good race relations	x			Providing equal access to training for everyone in a diverse workforce could help to foster good relationships between employees and encourage businesses to adopt further fair work practices that benefit all staff.
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Do you think the policy impacts on people because of their religion or belief?

Religion or belief	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination	x			Fund criteria requires employers to state how they will give due consideration to those with protected characteristics. Large employers eligible for this Fund are expected to apply their equality policies in providing equality of opportunity to employees to access training. Therefore, there could be indirect benefits.
Advancing equality of opportunity	x			Fund criteria requires employers to state how they will give due consideration to those with protected characteristics. Large employers eligible for this Fund are expected to apply their equality policies in providing equality of opportunity to employees to access training. Therefore, there could be indirect benefits.
Promoting good relations	x			Providing equal access to training for everyone in a diverse workforce could help to foster good relationships between employees and encourage businesses to adopt further fair work practices that benefit all staff.

Do you think the policy impacts on people because of their marriage or civil partnership?

Marriage and Civil Partnership⁶	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			X	The Scottish Government does not require assessment against this protected characteristic unless the policy or practice relates to work, for example HR policies and practices - refer to Definitions of Protected Characteristics document for details

⁶ In respect of this protected characteristic, a body subject to the Public Sector Equality Duty (which includes Scottish Government) only needs to comply with the first need of the duty (to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010) and only in relation to work. This is because the parts of the Act covering services and public functions, premises, education etc. do not apply to that protected characteristic. Equality impact assessment within the Scottish Government does not require assessment against the protected characteristic of Marriage and Civil Partnership unless the policy or practice relates to work, for example HR policies and practices.

Stage 4: Decision making and monitoring

Identifying and establishing any required mitigating action

Have positive or negative impacts been identified for any of the equality groups?	The impact assessment shows that the policy intention does not raise concerns.
Is the policy directly or indirectly discriminatory under the Equality Act 2010 ⁷ ?	There is no evidence that the policy is directly or indirectly discriminatory under the Equality Act 2010. Policy development of the Fund will continue on an annual basis or for as long as the Fund is available. The Fund guidance has been revised to ensure that we capture additional granular data to better promote equality.
If the policy is indirectly discriminatory, how is it justified under the relevant legislation?	N/A
If not justified, what mitigating action will be undertaken?	N/A

⁷ See EQIA – Setting the Scene for further information on the legislation.

Describing how Equality Impact analysis has shaped the policy making process

This EQIA has helped to highlight in more depth specific areas of interest and the need for further analysis. It aims to inform the considerations of the Scottish Government in respect of the introduction of the UK Apprenticeship Levy and reduce and counteract any disadvantages that may unintentionally be caused by its introduction.

We will continue to engage with equality representative groups to explore appropriate measures to mitigate against any negative impacts that the Fund may have on any particular groups. This engagement will inform further policy development and EQIA will be reviewed accordingly.

The evidence captured in the section entitled Data and evidence gathering, involvement and consultation has been drawn from a range of sources and looks in greater depth at some of the key issues highlighted in the EQIA.

Monitoring and Review

We believe it is essential to continue to monitor the uptake of the FWDF by identifying and gathering relevant information to assess the extent to which employers accessing the Fund are enabling their workforce full participation in the programme.

The outcomes from further analysis will be outlined in more detail when data becomes available. The frequency of the monitoring is outlined in the revised guidance which is available in the Scottish Funding Council website.

The policy framework behind The pilot Flexible Workforce Development Fund supports delivery of the Scottish Government's [Programme for Government](#), [Scotland's Labour Market Strategy](#) and Scotland's Economic Strategy.

This EQIA is integral in informing policy development of future years of the Flexible Workforce Development Fund, and is important in informing the Scottish Government's overall approach, specifically in addressing barriers to upskilling and reskilling and workplace progression, as highlighted in: the IPPR reports; Equipping Scotland for the Future and Jobs and Skills in Scotland; the UKCES Employer Skills Survey – Scotland report; The Scottish Parliament's Equal Opportunities Committee report - *Removing Barriers - race, ethnicity and employment*; Scotland's Veterans Commissioner reports; and, the actions identified in the *Older People in Employment in Scotland* report.

The ongoing review of the EQIA has resulted in development of updated guidance on priority groups for Year 2 of the Fund and this will continue to be reviewed in Year 3 and beyond.

As part of the application process employers should demonstrate how they support those with one or more of the protected characteristics listed in [section 4](#) of the Equality Act 2010 to gain access to training through the Fund.

Gender disaggregated data on training beneficiaries should also be collated by the Scottish Funding Council as part of the monitoring and application process

The Scottish Funding Council, is responsible for administering the Fund and will undertake the national monitoring of Fund delivery and provide regular progress reports to Scottish Government. Regional colleges will be responsible for monitoring fund uptake on a regional basis which will include equalities monitoring.

The Scottish Government commissioned an independent external review of the pilot Fund which influenced policy development for year 2 and a further independent review is planned to measure the impact of the Fund at the end of Year 3.

Stage 5 - Authorisation of EQIA

Please confirm that:

- ◆ This Equality Impact Assessment has informed the development of this policy:

Yes ☒ No ☐

- ◆ Opportunities to promote equality in respect of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation have been considered, i.e.:

- Eliminating unlawful discrimination, harassment, victimisation;
- Removing or minimising any barriers and/or disadvantages;
- Taking steps which assist with promoting equality and meeting people's different needs;
- Encouraging participation (e.g. in public life)
- Fostering good relations, tackling prejudice and promoting understanding.

Yes ☒ No ☐

- ◆ If the Marriage and Civil Partnership protected characteristic applies to this policy, the Equality Impact Assessment has also assessed against the duty to eliminate unlawful discrimination, harassment and victimisation in respect of this protected characteristic:

Yes ☐ No ☐ Not applicable ☒

Declaration

I am satisfied with the equality impact assessment that has been undertaken for the Flexible Workforce Development Fund and give my authorisation for the results of this assessment to be published on the Scottish Government's website.

Name: *pp* Oonagh Gil

Position: Deputy Director

Authorisation date: 22 August 2019

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